

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF MARCH 27, 2020 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, March 27, 2020 at 8:10 a.m.

Due to the COVID-19 virus and in accordance with the emergency stay at home order imposed by Governor Sununu, the meeting was held electronically using the Microsoft Teams platform, for the safety of the Committee Members and Pennichuck employees. Telephone access to the meeting was provided for members of the public.

Pursuant to Governor Sununu’s Emergency Order #12 dated March 23, 2020, the requirement under RSA 91-A:2, III(b) that a quorum be physically present at a meeting has been waived.

Written materials relating to items listed in the Agenda were provided to the Board members for their review prior to the meeting.

The following Directors were present for all or a portion of the meeting, constituting a quorum:

Thomas J. Leonard, Chairman
David P. Bernier
C. George Bower
James P. Dore
Elizabeth A. Dunn
Stephen D. Genest
Jay N. Lustig
Deborah Novotny
Preston J. Stanley, Jr.

Also attending all or a portion of the meeting from the Company were:

Larry D. Goodhue, Chief Executive Officer
Donald L. Ware, Chief Operating Officer
Mary V. DeRoche, Human Resources Director
Suzanne L. Ansara, Corporate Secretary
George Torres, Corporate Controller
Carol Ann Howe, Assistant Treasurer
Steven Greenwood, IT Director
Bernard Rousseau, Vice President, PWSC
John Boisvert, Chief Engineer
Alan Brown, Distribution Manager
Tara King, Revenue and Customer Operations Manager

S. Ansara recorded the minutes of the meeting.

The Chairman called the meeting to order.

Approval of Minutes

There being no comments on the draft minutes of the February 28, 2020 and March 17, 2020 Board meetings, on motion duly made by D. Bernier and seconded by J. Dore, all of the Directors present then voting by roll call, it was unanimously

Resolved: that the minutes of the February 28, 2020 meeting of the Board of Directors are hereby approved.

Resolved: that the minutes of the March 17, 2020 meeting of the Board of Directors are hereby approved.

Pumpage – Financial Review

G. Torres reviewed pumpage levels for the month of February. Pumpage of 243 million gallons was below the budgeted amount of 257 million gallons. He also reviewed the Company's consolidated balance sheet and cash flow statement through the month of February.

Dividend to Sole Shareholder

L. Goodhue indicated that management is recommending that the Board approve the payment of a quarterly dividend to the City of Nashua. The dividend will supplement the monthly interest and note payment made by the Company to the City of Nashua for the funding of the City's acquisition debt.

On motion duly made by J. Dore and seconded by J. Lustig, all of the Directors present then voting by roll call, it was unanimously

Resolved: that a dividend in the amount of \$70,004.01 be paid to the sole shareholder of record, the City of Nashua, New Hampshire, on April 25, 2020.

Director Deborah Novotny joined the meeting at 8:17 a.m.

Report of the Audit, Finance and Risk Committee

J. Dore, Chairman of the Audit, Finance and Risk Committee, gave a report on the Committee's March 26, 2020 meeting. He reported that the Committee met with representatives of the Company's auditors, Melanson Heath, to discuss Melanson's audit report and to review in detail the draft of the 2019 audited consolidated financial statements and related notes. The Company received a clean, unmodified opinion from Melanson Heath. The auditors reported that during the audit, there were no disagreements with management and no deficiencies detected. The Committee approved the 2019 audited financial statements. The Committee reviewed the Company's draft Annual Report to Sole Shareholder and had no changes or comments. J. Dore reported that the Committee was given a presentation on the 2019 internal control review and testing project. There was one incident of a control failure which was determined to not be a significant deficiency and two audit recommendations for operational process improvements. The review was accepted by the Committee.

Annual Report to Shareholder

L. Goodhue referred the Board to the draft Annual Report to Sole Shareholder, a copy of which was included in the written materials. He indicated that the Annual Report will be delivered to the sole shareholder along with a copy of the audited financial statements next week. The Board had no comments on the draft.

On motion duly made by E. Dunn and seconded by J. Dore, all of the Directors present then voting by roll call, it was unanimously

Resolved: that the draft Annual Report to Sole Shareholder, substantially in the form presented at this meeting, is hereby approved.

Report of the Compensation and Benefits Committee

S. Genest, Chairman of the Compensation and Benefits Committee, gave a report on the Committee's March 24, 2020 meeting. He reported that the Committee discussed the restatement of the pension plan. The IRS requires that the pension plan be restated every 6 years to ensure that it reflects new laws and regulations and amendments. He indicated that the Committee is recommending that the Board approve the pension plan restatement, a copy of which is included in the written materials to the Board. He said that approval is conditioned on management's comparative review of the restatement with the current plan.

On motion duly made by D. Bernier and seconded by J. Dore, all of the Directors present then voting by roll call, the following resolutions were unanimously approved:

WHEREAS, Pennichuck Corporation (the "Employer") has maintained the Pension Plan for Employees of Pennichuck Corporation ("Plan") since June 1, 1956 for the benefit of eligible employees;

WHEREAS, the Employer is restating the above-referenced Plan to comply with the requirements of the Revenue Procedure 2015-36 and other applicable guidance; and

WHEREAS, the Employer wishes to affirm the appointment of the Compensation and Benefits Committee of the Pennichuck Corporation Board of Directors as Trustee of the Plan.

NOW, THEREFORE, BE IT RESOLVED that the Employer hereby adopts the Pension Plan for Employees of Pennichuck Corporation as a complete restatement of the prior Plan, to be effective on January 1, 2020;

RESOLVED FURTHER that the Chief Executive Officer of the Employer is authorized to execute the restated Plan document and authorize the performance of any other actions necessary to implement the adoption of the Plan restatement. The Chief Executive Officer may designate any other authorized person to execute the restated Plan document and perform the necessary actions to adopt the restated Plan. The Employer will maintain a copy of the restated Plan, as approved by the Board of Directors, along with a copy of the prior Plan, in its files;

RESOLVED FURTHER that the Chairman of the Compensation and Benefits Committee is authorized to execute the restated Plan document on behalf of the Committee.

RESOLVED FURTHER that Larry D. Goodhue, Mary V. DeRoche, Carol Ann Howe and George Torres, Administrators of the Plan, will be responsible for performing all actions necessary to carry out the administration of the Plan. The Employer may designate any person or persons to perform the actions necessary to administer the Plan; and

RESOLVED FURTHER that Plan participants shall be provided with a summary of the Plan provisions within a reasonable period of time following the adoption of the restated Plan.

COVID-19 Virus

L. Goodhue updated the Board regarding the Company's response to the COVID-19 virus and the CDC's recommendations for safe practices. L. Goodhue said that a very comprehensive plan in response to the virus has been put in place. There has been no direct contamination to employees as far as he knows. He sends weekly updates concerning the virus and the Company's response to all employees.

L. Goodhue reviewed the following actions taking place:

- Every employee who can, is working from home
- The management team is meeting frequently via Microsoft Teams
- C. Countie and Jim Delude ensure that chemicals are topped off (tanks full), have 60 day forward looking supply
- C. Countie continues to run the water treatment plant relative to compliancy with regulations, then goes home
- Nighttime flushing activities in greater Nashua will begin in April; daytime flushing has been pushed to the fall; employees are travelling by themselves in their trucks to flushing sites.
- T. King is the only employee going into the office on a regular basis, opening mail and other activities. The call center is now operating remotely.
- G. Torres and the financial team are working from home except to open general mail, pay bills and print checks.
- All non-essential appointments have stopped; if an emergency arises, any employee entering a resident's home must practice social distancing and wear full PPE
- Distribution – Have 30-45 day supply of gloves and masks. A full kit has been provided to all personnel in the field. Looking to procure additional PPE.

L. Goodhue reported that the Kessler Farm project has been pushed back to next year. The delivery of carbon media has been pushed back to May.

L. Goodhue reported that he spoke with the City's Treasurer, Dave Fredette, and the City's Director of Economic Development, Tim Cummings, regarding the Business Industrial Development Authority. They also discussed Pennichuck's response to the COVID-19 virus and offered the City's help if needed.

Update – Bonds

A discussion ensued relative to the impact of the virus on revenues and financial markets. L. Goodhue indicated that the municipal bond market stopped existing for 7 days, but is now climbing back up, and he is very hopeful that the bond issuance for the 2019 PWW capital expenditures can be completed by April 30. He said that a new lender has been lined up if it becomes necessary to issue Bond Anticipation Notes.

Update – TD Bank Lines of Credit

L. Goodhue reported that TD Bank has indicated that they will be giving the Company a 4-month extension on the working capital line of credit and a waiver to May 31 to clean up the fixed asset line of credit.

D. Ware, M. DeRoche, G. Torres, C. Howe, S. Greenwood, B. Rousseau, J. Boisvert, A. Brown and T. King left the meeting at 9:12 a.m.

Move to Non-Public Session

D. Bernier moved that the Board enter into non-public session to discuss (i) matters which if discussed in public would likely affect adversely the reputation of a person pursuant to RSA 91-A:3, II(a) and (ii) the promotion or compensation of employees pursuant to RSA 91-A:3, II(c). G. Bower seconded the motion.

A roll call of the Directors present was taken, which resulted as follows:

Yea: D. Bernier, G. Bower, J. Dore, E. Dunn, S. Genest, T. Leonard, J. Lustig,
D. Novotny, P. Stanley

Nay:

Motion was carried to enter into non-public session at 9:13 a.m.

Reconvene in Public Session

The non-public session ended at 9:55 a.m. and the Board reconvened in public session.

Present were the Board members and S. Ansara.

D. Bernier moved that the Board seal the minutes of the non-public session under RSA 91-A:3, II(a) and RSA 91-A:3, II(c). S. Genest seconded the motion. A roll call of the Directors present was taken, which resulted as follows:

Yea: D. Bernier, G. Bower, J. Dore, E. Dunn, S. Genest, T. Leonard, J. Lustig,
D. Novotny, P. Stanley

Nay:

Motion was carried to seal the minutes of the non-public session.

There being no further business to come before the Board, the meeting was adjourned at 9:57 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary